

**MINUTES OF THE SPECIAL MEETING
OF THE LA SALLE CITY COUNCIL
HELD IN THE COUNCIL CHAMBERS,
745 SECOND STREET, LA SALLE, IL.
7:00 P.M., Tuesday, December 9, 2014**

CALL TO ORDER

The meeting was called to order at 7:03 p.m. by Mayor Jeff Grove.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present- Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

Excused Absent- Alderman Ptak, Reynolds

READING OF THE CALL

The purpose of the meeting will be #1 to hold a Public Hearing to approve a proposed property tax levy increase for the City of La Salle. #2 Discussion and potential action on an ordinance approving and authorizing the execution of an Intergovernmental Agreement regarding Emergency and Related Services involving the cities of La Salle, Peru and Oglesby and related matters. #3 Discussion and potential action on an ordinance establishing an Enterprise Zone within the City of La Salle, Illinois and said Enterprise Zone being a portion of a larger Enterprise Zone encompassing contiguous portions of the Cities of La Salle, Oglesby, and Peru, the Village of North Utica, and the County of La Salle, Illinois and related matters.

Moved by Alderman Duncan and seconded by Alderman Lavieri to accept the call. Each and every alderman has a copy.

ROLL CALL: AYE: Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

NAY: None. Absent: Alderman Ptak, Reynolds Abstain: None

Motion carried 6-0

PUBLIC HEARING- 7:06 p.m.

Moved by Alderman Herndon and seconded by Alderman Lavieri to open the public hearing regarding the proposed property tax levy increase for the City of La Salle and related matters.

ROLL CALL: AYE: Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

NAY: None. Absent: Alderman Ptak, Reynolds Abstain: None

Motion carried 6-0

Finance Director John Duncan explained the tax levy has two sides, the non-bond side and the bond side. If either side increases over 5%, a hearing must be held, hence the hearing today. On the bond side, there is a decrease in the property tax levy of 15.54% due to a bond falling off, but on the non-bond side we have an increase of 33.37% for the purpose of meeting our full Fire and Police Pension obligations, resulting in net increase on the total levy of 10.6%. Mr. Duncan reiterated that in regard to the pensions, the city has consistently underfunded the pensions and has not met its funding obligation for many years. There is a \$238,000 pension obligation increase alone from 2013 to 2014 that must be funded. The Police Pension is currently at a 39% funded value and the Fire Pension stands at a 50% funded value. There are multiple reasons why these pensions have not been fully funded with the top three including that the City has not made full contributions for many years, the mortality tables have changed and interest rates have dropped over the years. To meet full pension obligations the City must raise the levy significantly, as well increase the Social Security fund. Mr. Duncan briefly explained how the levy is set and gave a brief history of the pension funds. He indicated that property tax and revenues have shrunk, therefore the only means to fund the pensions is through the tax levy. He added that this benefit is promised by the State and it is mandated that the City make its full contribution. Mr. John Stopa, Third Ward Resident, inquired if the pensions are funded 100% by the City. Finance Director Duncan explained that employees contribute around 5% and the IMRF mandates this amount. The City cannot raise or lower the percentage.

The Mayor noted that the pension issue is something all communities are facing and many are trying to catch up. Mayor Grove indicated that it is a goal of this group to leave things better for the next group and meet our obligation going forward. He added that it is the responsible thing to do. Mayor Grove explained that the State pension system, as it is set up today, was established by constitutional amendment which would require a 2/3 majority to change.

Mr. Stopa also asked if the 10.6% increase could be spread over two years. Mr. Duncan explained that we are required to make the entire total contribution this year and the Department of Insurance will make a contribution determination next year and we will adjust the levy accordingly.

Mr. Duncan explained that assessed values have decreased as well as a decline in sales tax within the City. In 2007, the City received 2.1 million in sales tax and in 2013 the City received 1.3 million.

Alderman Herndon stated that a large loss in sales tax revenue for the City occurred when Flying J became Pilot. The State made an agreement with bio-diesel providers to cut sales tax. Flying J did not carry ethanol, but Pilot does and therefore the City took a hit when the change occurred. Attorney McPhedran added that the city investigated options and spoke to our representatives expressing the hardship this created for this municipality.

Mr. Stopa asked if the City receives any revenue from the sand mines. Alderman John Duncan responded that the city receives 15 cents per ton from the sand mine. Finance Director Duncan also added that the video gaming machines are a new source of revenue bringing in approximately \$9,000 a month, with projections of \$12,000 for November. Brief discussion followed.

If the city is not compliant, the State can hold back grants or come after sales tax. Finance Director Duncan stated that the city wants to be good stewards of tax payer money and pledges to be fiscally responsible. Alderman Duncan added that the city purchased new accounting software which gives the ability to track spending more closely.

There was no additional testimony, comments or questions from the public.

Moved by Alderman Bacidore and seconded by Alderman Demes to close the public hearing.

ROLL CALL: AYE: Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

NAY: None. Absent: Alderman Ptak, Reynolds Abstain: None

Motion carried 6-0

Closed 7:39 p.m.

Regarding the proposed combined Emergency Services Dispatch Center, Alderman Duncan stated that he was not in favor of taking the funding from the State if the new center would cost the City more than the current system does. Alderman Herndon questioned if the different dispatcher unions would be integrated or eliminated.

Mayor Grove explained that the questions were good ones and the board is in the very infant stages of development. At this time, Chief Bacidore, Chief Uranich, Mayor Grove and one non-elected official will sit on the board.

Attorney McPhedran added that tonight's ordinance only commits the City to \$10,000. Any future action will come back to the council for approval. At this time, the board is designed to explore if there can be savings and many of the issues and questions brought forth will be discussed.

Chief Bacidore stated that it is almost unheard of for communities to have individual 911 systems. It is very inefficient, especially in the event of a big incident. Costs are changing and it is getting to a point where it is too expensive for it to survive on its own. He added that before the Governor made the

announcement of the commitment of funds for this project, the 911 Board had hired a firm to do a feasibility study on this matter.

Moved by Alderman Demes and seconded by Alderman Duncan to approve Ordinance 2529 authorizing the execution of an Intergovernmental Agreement regarding Emergency and Related Services involving the Cities of La Salle, Peru and Oglesby and related matters. Each and every alderman has a copy.

ROLL CALL: AYE: Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

NAY: None. **Absent:** Alderman Ptak, Reynolds **Abstain:** None

Motion carried 6-0

Ordinance 2529-an ordinance authorizing the execution of an Intergovernmental Agreement regarding Emergency and Related Services involving the Cities of LaSalle, Peru, Oglesby and related matters.

Nora Fesco of NCICG was present to answer any questions concerning the Enterprise Zone. She indicated that nothing has changed, but the State Statute requires that the Enterprise Zone be renewed as it is expiring.

Attorney McPhedran confirmed that the intention is for the Enterprise Zone to stay the same as it is presently with amendments. Ms. Fesco confirmed that was correct and also indicated that the zone is contiguous. She explained that 98 Enterprise Zones are allowed in the State of Illinois.

Moved by Alderman Herndon and seconded by Alderman Lavieri to approve Ordinance 2530 an Enterprise Zone within the City of La Salle, Illinois, said Enterprise Zone being a portion of a larger Enterprise Zone encompassing contiguous portions of the Cities of La Salle, Oglesby, and Peru, the Village of North Utica, and the County of La Salle, Illinois and related matters. Each and every alderman has a copy.

ROLL CALL: AYE: Alderman Demes, Bacidore, Lavieri, Duncan, Herndon, Schneider

NAY: None. **Absent:** Alderman Ptak, Reynolds **Abstain:** None

Motion carried 6-0

Ordinance 2530-an ordinance approving an Enterprise Zone within the City of La Salle, Illinois, said Enterprise Zone being a portion of a larger Enterprise Zone encompassing contiguous portions of the Cities of La Salle, Oglesby, and Peru, the Village of North Utica, and the County of La Salle, Illinois and related matters.

COMMENTS

There were no additional comments.

ADJOURNMENT

Moved by Alderman Demes and seconded by Alderman Bacidore to adjourn the meeting.

Voice vote, all ayes. Motion is carried.

ADJOURNED 7:55 p.m.

Carrie Brown, City Clerk